

TELLING THE TRUTH ABOUT GOP TAX CUTS

Part II: "For the first time in our history, we are refusing to accept the financial sacrifice of war."

- Atlanta Journal-Constitution, 3/26/03



NEWSPAPER EDITORIAL ANALYSES & COLUMNISTS

“What this complicated proposal would stimulate is not the workaday economy but the already huge gap between the wealthiest Americans and everyone else.”	Kevin Phillips	Jan. 12, 2003	LA Times
“[I]t would be easier to respect this attack on class warfare if the president and his allies disavowed such belligerency themselves.”	E.J. Dionne	Jan. 7, 2002	Washington Post
“Bush’s tax package is unfair, short-sighted and fiscally irresponsible. He and members of Congress – particularly Republicans, who now control Capitol Hill – must develop a far better plan in the months ahead.”	Editorial	Jan. 9, 2003	Kansas City Star
“The president can’t have it both ways. He can’t simultaneously fight one and maybe two wars, build up homeland security, provide a prescription drug benefit, shore up Medicare and put Social Security on a sound financial footing and at the same time enact a \$670 billion tax cut (over 10 years) without taking on debilitating deficits.”	Editorial	Jan. 9, 2003	Cincinnati Post
“If the Bush tax plan is probably the most ill-	David Broder	Jan. 13, 2003	Washington Post



considered since Treasury Secretary John Connolly persuaded President Nixon to freeze wages and prices in 1971.”			
“The faster the administration drives the country into debt, the more it imperils an economic recovery. If Bush wants to engage in nation-building at home, he needs to retreat, at least temporarily, from sweeping tax cuts. “	Editorial	Feb. 13, 2003	LA Times
“Bush and his top lieutenants have asserted that the tax cuts will induce economic growth... But those assertions are contradicted by a passage in the Economic Report of the President, written by Bush's Council of Economic Advisers and sent to Congress this month. That report said it is not true “that tax cuts pay for themselves with higher output. Although the economy grows in response to tax reductions, it is unlikely to grow so much that lost tax revenue is completely recovered by the higher level of economic activity.”	Dana Milbank	Feb. 16, 2003	Washington Post
“Such slavish devotion to taxcutting doctrine under any and all circumstances is reckless in the extreme...Republicans, once upon a time, expended a lot of energy proclaiming that the federal government needed to live within its means, just like a family. Well, any family that ran its affairs the way President Bush handles the federal budget would be saying goodbye to the suburbs and hoping it isn't headed for Skid Row.”	Editorial	March 11, 2003	Louisville Courier-Journal
“Bush is sticking to a ridiculous tax-cut plan that will sap the government of precious resources, when we are already running an annual deficit of \$300 billion and carrying a total debt of \$6.4 trillion, figures that don't even include the billions that will be spent on this planned rescue of another nation.”	Editorial	March 19, 2003	Salt Lake Tribune
“Tax cuts can wait until after realistic budgets are set on everything from war to how much food is on poor children's plates.”	Editorial	March 21, 2003	Detroit Free Press
“If you've been wondering who would pay for the big new tax cuts for the rich that President Bush is pushing, wonder no more. The Republican budget writers in Congress have started to supply the answers: Poor children, veterans, the elderly and any middle-age person counting on Social Security and Medicare when he or she retires will pick up this bill.	Editorial	March 23, 2003	Sacramento Bee
“The uncertain cost of war is another compelling reason for Congress to reject President Bush's latest tax cut proposals, which would cost the U.S. Treasury at least \$726 billion during the next decade.”	Editorial	March 24, 2003	San Francisco Chronicle
“Making huge tax cuts at the same time we are incurring a huge war debt seems foolhardy. Even those who believe that tax cuts stimulate the economy to the point that economic growth offsets lost revenue have to understand that the benefits are not immediate.”	Editorial	March 24, 2003	Tulsa World
“To enact a second deep tax cut when war costs - already 11 figures - are rising toward an unknown	Editorial	March 25, 2003	Boston Globe





<p>total would be to insult people's intelligence and threaten the nation's future...Congress and the president will have support for virtually any resources the war requires. But they will not have support - and will not deserve it - if they fudge the costs and try to pass them on to their children."</p>			
<p>"The tax cuts were supposed to head off recession, but even proponents have muted that claim. Spread over 10 years and designed to foster long-term investment - if they do anything more than swell millionaires' bank accounts - the cuts are not aimed where they can light a fire under the economy."</p>	Editorial	March 26, 2003	Palm Beach Post
<p>"The Iraqi war will cost well beyond the \$75 billion President Bush requested for the next six months. Saving Social Security and Medicare from bankruptcy will cost more than \$1 trillion. Those demands alone could explode the deficit well beyond its \$246 billion figure. By year's end, Americans could see a \$400 billion deficit. It is time to worry. It is time to act. It is time to amend."</p>	Editorial	March 26, 2003	Dallas Morning News
<p>"For the first time in our history, we are refusing to accept the financial sacrifice of war, and instead are actually cutting government revenue. We are shifting the cost to our children and grandchildren, who will have to repay all this money we are borrowing at the same time they're trying to cover our Social Security and medical costs. Even under normal circumstances, the selfishness we are showing by demanding wartime tax cuts that we refuse to offset with reduced federal spending would be cause for shame. The comparison with the selflessness of our troops overseas only compounds that shame."</p>	Editorial	March 26, 2003	Atlanta Journal-Constitution
<p>"Bush's first round of tax cuts, totalling \$1.6 trillion, was a bad idea to begin with - even before an expensive war in Iraq. That's because these tax cuts have already succeeded in destroying one of the nation's most remarkable achievements of the 1990s - a budget surplus."</p>	Editorial	March 26, 2003	Honolulu Advertiser
<p>"Even half a loaf is too much...The war will cost a lot of money, and we have no business foisting the bills on our children and their children. If we think it's worth fighting, then we ought to pay for it -- and if that means no tax cut, so be it."</p>	Editorial	March 26, 2003	Austin American-Statesman
<p>"[T]he loyal opposition in Congress ought to draw its own line in the sand. Saying no to tax cuts during wartime wouldn't be unpatriotic. A realistic budget, assessing the government's costs and raising sufficient revenue, would be a service to the troops and the vast majority of Americans for whom they are fighting."</p>	Editorial	March 26, 2003	Raleigh News & Observer
<p>"[W]e accept the president's proposal to finance this war on MasterCard. What bothers us is the lack of any long-term plan to eventually pay off the MasterCard - and we don't mean by transferring the balance to Visa. This year's federal deficit already seems headed for \$400 billion (gulp). Total federal debt accumulated over the life of the republic is about \$6.5 trillion. Set against such numbers, the notion of piling tax cut on top of tax cut as far as the eye can</p>	Editorial	March 27, 2003	Denver Post





see is ludicrous.”			
“Even at the Senate total of \$350 billion over 10 years, the tax cut is still far too large. The nation is awash in red ink, piling up enormous bills for the war in Iraq and facing a long-term cash crunch in Medicare and Social Security.”	Editorial	March 27, 2003	Baltimore Sun
“Although proposed tax cuts may give a slight boost to the economy, the decline in federal receipts will add to budget deficits already forecast to stretch for years. Add to that the cost of the Iraq war and reconstruction, which is likely to far exceed the White House's initial price tag of \$75 billion.”	News Story	March 27, 2003	USA Today
“The U.S. Senate did the country a favor this week by not going along with President Bush's plan to cut taxes by \$726 billion over 10 years and run up the national debt. Cutting taxes and kicking up military spending at the same time just doesn't make sense. Such a move would only add to the government's deficit spending and affect the economy for decades to come.”	Editorial	March 28, 2003	Fort Collins Coloradoan
“There is nothing wrong with tax cuts that give the struggling a break, reward and encourage savings and investment or boost a sagging economy. But really lavish tax cuts -- especially during the costly uncertainties of wartime -- can be defended only with the discredited voodoo of supply-side economics. [T]his is poppycock, as the federal deficits that piled up during Ronald Reagan's presidency attest...”	Editorial	March 28, 2003	Los Angeles Times
“Can the United States afford any tax cut? Should the old, sick and poor bear all of the costs of this war? Even the \$350 billion cap on tax cuts approved by the Senate seems frivolous. It was, nonetheless, a worthy push against a wartime president's wrongheaded budget priorities.”	Editorial	March 28, 2003	Miami Herald
“Now, incredibly, with war costs soaring into the stratosphere, Washington's Republican establishment wants to give a second gigantic gift to the rich - and make up the loss by slashing programs that help average Americans. This is unbelievable. But with the GOP in total control of the capital, it probably will happen.”	Editorial	March 28, 2003	Charleston Gazette, West Virginia
“The White House has chosen to ignore the long-term impact of its tax and spending plans. It will be up to Congress to inject some reality in the deliberations.”	Editorial	March 29, 2003	Chicago Tribune
“The last GOP tax cut was supposed to spur the economy. It didn't. The state's GOP representatives in Congress are taking a huge risk by voting for cuts in state aid based on an assumption that this time, things will be different.”	Editorial	March 29, 2003	Buffalo News
“When the Bush administration took office in early 2001, the federal government was expected to produce a cumulative surplus over 10 years of \$5.6 trillion. This March, the Congressional Budget Office, the bipartisan economic research arm of Congress, forecast that with a weaker economy than expected and still another tax cut proposed by the president, the federal government would produce a deficit of	News Story	April 17, 2003	New York Times



<p>\$1.8 trillion over 10 years.”</p>			
<p>“What is clear from the budget office exercise in dynamic forecasts, however, is that the supply-side contention that the tax cuts will somehow pay for themselves is a pipe dream. Deficits will stay high. The Bush budget, with tax cuts, is hard to justify using any model of growth.”</p>	<p>News Story</p>	<p>April 17, 2003</p>	<p>New York Times</p>
<p>“Mr. Bush talked a lot in the Rose Garden about the need for tax cuts "right away," to "do it now," for "immediate tax relief." But if the point is to stimulate the economy, his package isn't particularly well crafted to do that. Just a sliver of the proposed \$726 billion in tax cuts -- 5.5 percent -- would take effect this fiscal year, and only one-fifth would occur by the end of fiscal 2004. Moreover, because the cuts are skewed to the wealthy, much of that money would go to those more likely to save it than to spend it.”</p>	<p>Editorial</p>	<p>April 21, 2003</p>	<p>Washington Post</p>
<p>“In fact, rather than compromise on its goal of maximum long-run tax cuts for the wealthy, the administration now says that it's willing to phase tax cuts in gradually — making them even less effective as an economic stimulus. So when you take the policy consequences into account, it's clear that the administration's tax-cut obsession isn't just busting the budget; it's also indirectly destroying jobs by preventing any rational response to a weak economy. In its determination to stay on message, the administration is also determined not to do anything that would actually help ordinary families.”</p>	<p>Paul Krugman</p>	<p>April 22, 2003</p>	<p>New York Times</p>
<p>“He proposed massive tax cuts during the 2000 campaign, when things were booming, and proposed the same cuts when things tanked. Now he wants more cuts. Maybe I'm not 'robust' enough to get it. But when someone offers you the same solution to every financial problem, it's usually time to put your hand firmly on your wallet. And keep it there.”</p>	<p>Allan Sloan, Wall Street Editor</p>	<p>May 5, 2003</p>	<p>Newsweek</p>
<p>“[T]he Thomas plan also takes tax gimmickry to a whole new level by pretending that most of its provisions (though not the capital gains-dividend reductions) would expire after just three years, at the end of 2005. No one -- least of all those pushing the cuts -- intends for this actually to happen. Mr. Bush attributed the deficit to the recession and to his decision to send troops into combat. Both have indeed helped turn projected surpluses into deficits. But so has something Mr. Bush's account omits: his first, \$1.35 trillion tax cut.”</p>	<p>Editorial</p>	<p>May 6, 2003</p>	<p>Washington Post</p>